

MEDICARE FOR FEDERAL EMPLOYEES

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Medicare for Federal Employees

Starting January 1, 1983, most Federal employees will pay the Medicare hospital insurance portion of the Social Security (FICA) tax. Federal employment will then count toward eligibility for Medicare hospital insurance protection.

Medicare was extended to Federal employees as a result of the Tax Equity and Fiscal Responsibility Act of 1982. The new provision excludes temporary emergency Federal employment and certain services by medical interns, student nurses, and penal inmates.

This leaflet briefly explains what the new provision means to Federal employees.

The hospital insurance tax

In 1983, the hospital insurance tax for employees is 1.3 percent on annual wages up to \$35,700—the maximum wage base covered by Social Security. The Federal Government will pay an equal amount as your employer.

The 1.3 percent tax will be deducted from your gross biweekly pay. If you earn \$35,700 or less in 1983, the biweekly payroll deduction will continue all year. If your annual salary is higher than \$35,700, the biweekly deduction will stop when you have earned \$35,700.

The dollar amount of your biweekly deduction will depend on the amount of your gross biweekly pay.

For example, if you are a GS-4 employee with a gross biweekly pay of \$459.20, your hospital insurance tax deduction will be \$5.97 per payday. If you are a GS-9 employee with a gross biweekly pay of \$779.20, your deduction will be \$10.13 a payday. The deduction for a GS-13 employee with a gross biweekly pay of \$1,477.60 will be \$19.21 per payday until the employee has earned \$35,700.

How work will count toward eligibility

Your Federal employment in and after 1983 will count toward eligibility for hospital insurance protection in the same way that work covered by Social Security counts.

A specific dollar amount of earnings will equal one quarter of coverage. The amount of earnings needed for a quarter of coverage increases automatically each year to keep pace with increases in average wage levels.

In 1983, you will earn one quarter of coverage for each \$370 of your annual earnings, up to a total of 4 quarters for the year. No more than 4 quarters of coverage can be counted for any one year.

If you are a Federal employee both before January 1983 and at any time during January, you will be given credit for Federal employment prior to 1983 if you need it to qualify for hospital insurance.

Any quarters of coverage you may have earned in a job or self-employment covered by Social Security also count toward hospital insurance protection.

When you will be eligible

You will qualify for Medicare hospital insurance at age 65 if you have enough quarters of coverage. The following table shows the number of quarters you will need to be eligible at 65.

If you reach 65 in	Number of quarters of coverage you will need
1983	29
1984	30
1986	32
1990	36
1994 or later	40

You can have hospital insurance at age 65 even if you continue working.

You will qualify for hospital insurance before age 65 if you become disabled and meet the eligibility requirements of the Social Security disability insurance program. This means you must (1) meet the Social Security

definition of disability, (2) have enough quarters of coverage, and (3) be disabled for 29 months. You will be considered disabled if a severe physical or mental impairment prevents you from working for at least 12 months. The exact number of quarters of coverage you'll need will depend on your age when you become disabled. Generally, because of the waiting period, the earliest you could qualify for hospital insurance on the basis of disability will be June 1985. (Note: Meeting the disability eligibility requirements under this new law will only qualify you for hospital insurance protection. It will not entitle you to cash Social Security disability benefits.)

You will be eligible for hospital insurance at any age if you need kidney dialysis or a kidney transplant for permanent kidney failure and you have enough quarters of coverage.

Under certain conditions, your spouse and other family members may be entitled to hospital insurance protection on the basis of your Federal employment.

If you think you may be eligible, you should apply at a local Social Security office after January 1, 1983.

Medicare medical insurance

Like other workers, you will have the option to enroll in the medical insurance part of Medicare at the same time you become entitled to hospital insurance. You do not need any quarters of coverage to be eligible for voluntary medical insurance. If you want its protection, you pay a monthly premium. The current basic premium is \$12.20 a month through June 30, 1983.

What Medicare covers

Medicare hospital insurance covers inpatient hospital care, inpatient care in a skilled nursing facility, and home health care.

Medicare medical insurance helps pay for doctors' services, outpatient hospital services, outpatient physical therapy and speech pathology services, home health visits, and many other services and supplies not covered by hospital insurance.

For detailed information about the services Medicare does and does not cover, ask at any local Social Security office for the free leaflet, *A Brief Explanation of Medicare*.

Your Federal health benefits plan

A variety of options and rules may apply to Federal employees and retirees who are eligible for both a Federal Employees' Health Benefits plan and Medicare.

To find out how your Federal Employees' Health Benefits plan will be affected by Medicare, contact your agency's health insurance office or your plan representative.

A word of caution: You should not cancel any Federal Employees' Health Benefits plan you now have. Medicare will help pay your health care expenses only after you become entitled at age 65 or on the basis of disability or permanent kidney failure.

For more information

If you have any questions or want more information about Medicare, contact your agency's personnel office or your local Social Security office. Social Security offices are listed in the white pages of your phone directory under "Social Security Administration."

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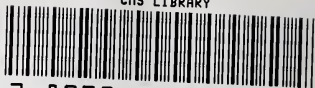
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